

Testimony of William Campion, President

HB 6846 – AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS FOR
HUMAN SERVICES PROGRAMS

Appropriations Human Services Subcommittee, February 27, 2015

Senator Bye, Representative Walker, Senator Flexer and Representative Abercrombie and distinguished members of the Appropriations Subcommittee on Human Services. I am here before you today to speak in opposition to the proposed budget cuts to payment for ambulance services in HB6824 – AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30 2017, AND MAKING APPROPRIATIONS THEREFOR AND OTHER PROVISIONS RELATED TO REVENUE.

In relation to other healthcare providers ambulance services are specifically different from other providers in that by the nature of our operations we must maintain a continuous state of readiness twenty-four hours (24) per day for three hundred sixty five (365) days per year. This state of readiness is VERY EXPENSIVE and a requirement to maintain adequate 911 emergency response. This is a condition of our organization regardless of a system user's ability to pay the true cost of services provided.

Medicaid reimbursement for ambulance transportation was reduced by 10% in July, 2011 and again by another 10% in January 2013.

Medicare reimbursement for ambulance transports was reduced by 2% effective as of March 2013 as a result of federal sequestration. Additionally a 10% reduction was instituted in October, 2013 for Dialysis ambulance transports.

Ambulance services are reimbursed only for transports that are provided to patients. 25% to 30% of all responses for service at my organization result in a non-transport non-revenue producing event.

Ambulance service providers are rate regulated by the Department of Public Health and as a result have little flexibility to cost shift any revenue reductions to commercial insurers or private payors. Likewise Ambulance providers have no ability whatsoever to decline service based upon the ability of users to pay for services within the 911 emergency system. In addition those patients covered by commercial insurance plans and those who have been able to acquire coverage under the Affordable Care Act are more often found to be covered by a High Deductible Plan and have increasing difficulty and ability to meet those deductible limits if at all.

The only alternative to this reduction in revenue will be to reduce staffing levels to adjust to these revenue loss. These actions will result in the possibility of increased response times to requests for service from Skilled Nursing Facilities and Hospitals, the delay of vehicle and equipment replacement and the probable reduction in the ability to respond to surges in demand for services especially during unforeseen emergency events.

Commercial ambulance services are the backbone of the Emergency Medical Services system in Connecticut. Collectively they provide 70% of all emergency responses in our state. In the event of a large scale emergency event or in the case of unavailable resources in suburban areas commercial ambulance providers are relied upon to respond and assist in providing resources.



A comparison of Medicaid reimbursement relative to Medicare reimbursement:

Medicaid reimbursement is approximately 46% of Medicare rates for ambulance service.

Medicaid reimbursement is 87% of rates for physician services and 71% of primary care physicians.

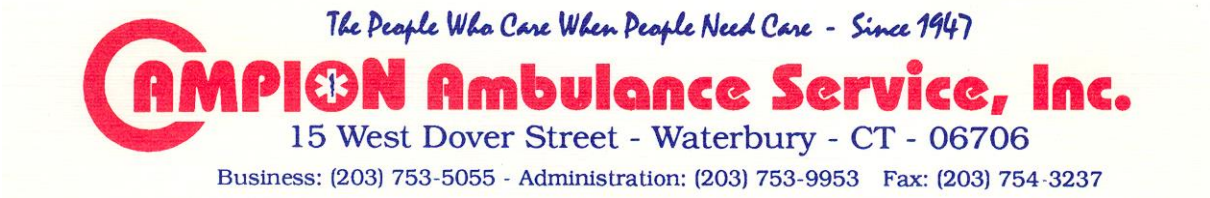
Medicaid reimbursement covers 50% of cost for ambulance services compared to:

Medicaid reimbursement is 71% of hospital treatment.

The continual rate decreases will have a negative impact on ambulance service providers and the drastic cuts that are proposed in this budget will severely impact the provision of Emergency Medical Services in this state. I appreciate the time and consideration of testimony and I am available to answer any questions.

Respectfully submitted,

William T. Campion



Fact Sheet for Champion Ambulance Service

235 Employees 110 Full Time 125 Part Time

21 Ambulance Transport Vehicles 7 Non Transport Emergency Vehicles

22 Wheelchair Capable Transport Vehicles 5 Sedan Transport Vehicles

Currently servicing as a Primary or Secondary Responder 18 Communities in New Haven and Litchfield Counties

Primary Service Area Responder in Waterbury Cheshire

Torrington Prospect

Annual Ambulance Transport Service Requests	36,642	This volume represents 2014 Statistics.
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Actual Patient Transports	30,184
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Annual Non-Emergency Wheelchair Transports	35,592
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Basic Life Support DPH allowable Charge	\$606.00
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Basic Life Support Medicare allowable Charge	\$400.00
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Basic Life Support Medicaid allowable charge	\$197.00
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Ambulance Transport Payor Mix	Medicare	51%
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Medicaid	30%
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Private pay

Third Party Payor 19%

Waterbury

Torrington

Cheshire